Name of PSUs	Percentage of disinvested	Proceeds realised/to realised (Rs. in crore)
4. Hotel Corporation of India (HCI)	100%	242.51*
5. Videsh Sanchar Nigam Ltd (VSNL)	--	900.17**
6. State Trading Corporation of India Ltd. (Transfer of cash reserves)	~	40.00***
7. Minerals and Metals Corporation of India Ltd. (Transfer of cash reserves)	~	60.00***
TOTAL:	--	1493.16#

* Proceeds to go to Air India.
** Dividend and Dividend Tax received.
*** Decision of withdrawal of reserve taken. Action being taken to implement the decision.
# This is about 12.5% of the target of Rs. 12,000 crore.

(c) The amount realised/to be realised through disinvestment in this financial year, based on decisions taken already is about Rs. 5742.68, as against the target of Rs. 12,000 crore. This includes the receipts from disinvestment in Videsh Sanchar Nigam Ltd., IBP Ltd., some more hotels of Hotel Corporation of India and India Tourism Development Corporation and Jessop & Co. Ltd. (subject to BIFR approval) including dividend/dividend tax/lease-cum management contract payment/transfer of surplus cash reserves etc. Disinvestment in Hindustan Zinc Ltd., Maruri Udyog Ltd., Indian Petrochemicals Corporation Ltd., National Fertilizers Ltd. and remaining hotels of ITDC and Hotel Corporation of India Ltd. etc. is also expected to be completed shortly.

Disinvestment of PPL

322. SHRI MAN MOHAN SAMAL: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that Government have never tried the financial restructuring of PPL or provided any financial package for the plant before disinvestment.

(b) if so, the reasons therefor;

(c) whether it is also a fact that disinvestment of PPL to the tune of 74% along with transfer of management control would affect adversely the employees' interest; and

(d) if so, the details of measures taken to safeguard the employees' interest?

THE MINISTER OF DISINVESTMENT (SHRIARUN SHOURIE): (a) No, sir.

(b) Does not arise in view of reply to (a) above.

(c) and (d) Protection of the interest of the workers is an integral part of the disinvestment policy. This is ensured by making appropriate provisions in the Shareholders' Agreement. A "best efforts" clause is also incorporated in the Share Holders' Agreement mentioning the benefits given by the Government to the members of Scheduled Castes/Scheduled Tribes/ physically handicapped persons and other socially disadvantaged categories of the society stating that the strategic partner shall use its best efforts to cause the company to provide adequate job opportunity to such persons. The provisions made in this regard in respect of PPL are given in the Statement (See below), the successful bidder has committed in writing that it would, within 30 days of becoming a strategic partner, implement the pending wage/pay revision prospectively and further that discussion regarding payment of arrears would be initiated immediately and modalities of payment of arrears finalised within 90 days.

Statement

Provisions in respect of PPL

Recitals

F. The Parties have agreed that all Employees (defined hereinafter) of the Company on the date hereof will continue in the employment of the Company.

G. The Strategic Partner recognizes that Government in relation to its employment policies follows certain principles for the benefit of the members of the Schedule Caste, Schedule Tribes, Physically handicapped persons and other socially disadvantaged categories of the society. The Strategic Partner shall use its best efforts to cause the Company to provide adequate job opportunities for such persons. Further, in the event of any reduction in the strength of the employees of the company, the Strategic Partner shall use its best efforts to ensure that the physically handicapped persons are retrenched at the end.

Articles:

Article 4.4 *Approval of Matters*

(a) Notwithstanding any other provisions of this Agreement or in the Articles of Association or otherwise permitted under the Act, no obligation of the Company or any of its subsidiaries shall be entered into, no decision or the determination shall be made and no action shall be taken by or with respect to the Company or any of its subsidiaries in relation to the matters identified in Schedule I, unless such obligation, decision or action, as the case may be, is approved;

(i) If at any meeting of the company's shareholders duly called for the purpose of considering such obligation, decision or action, then subject to the provisions of sub-clause 4.8(e), by the affirmative vote of the Government cast at such meeting;
(ii) If at any meeting of Board, then subject to the provision of sub-clause 4.3(f) by the affirmative vote of at least one nominee director of the Government (or, in the case of Board resolutions by circulation by the approval to such resolution in writing by at least one nominee director of the Government).

SCHEDULE I

Matters Requiring Special Consent

(XXV) For 5 (Five) calendar years after the Closing Date, any adverse change in the pay scales or in the pension or retirement benefits to Employees of the Company as of the Closing Date from the pay scales or pension or retirement benefits available to such Employees as of the Closing Date.

Article 5.6 *Sale of Equity Shares to the Employees of the company*

Notwithstanding anything to the contrary contained in Caluses 5.1(b) and 5.3, Government shall at its sole discretion at any time after the lapse of 6 (six) months from the Closing Date, have the option of selling from its shareholding, Equity Shares representing not more than 5% (five percent) of the Restructured Equity Share Capital of the company, to the Employees of the company in the manner as decided by the Board. In the event that Government exercises its option to sell part of the Equity Shares held by it to the Employees, the Employees shall be issued fresh share certificates for the

Equity Shares transferred to the Employees if such Equity Shares are not held in a dematerialized form. The Parties agree that upon the completion of transfer, the Equity Shares transferred to the Employees pursuant to this Clause 5.6 shall not be subject to any restrictions in this Agreement, whether by way of a voting arrangement or an right of first refusal.

7.2 **Principal(s) and Strategic Partner's Representations, Warranties and covenants**

Article *12* (e) Each of the Strategic Partner and the Principal(s) shall not retrench any Employees of the company for a period of 1 (one) year from the Closing Date other than any dismissal or termination of Employees of the Company from their employment in accordance with the applicable staff regulations, standing orders of the Company and applicable Law; provided however, that after the aforesaid period of 1 (one) year no retrenchment of an Employee shall be undertaken unless the affected Employee is given benefits that are equal to or exceed the Maximum Benefit;

(f) Subject to sub-clause (e) above any restructuring (including any reduction) of the employee force of the company shall be implemented in the manner recommended by the Board and in accordance with applicable Laws and the Strategic Partner and Principal (s) shall ensure that the Company offers to the Employees, an option to voluntarily retire on terms that are not, in any manner less favourable than Maximum Benefit;

Maximum Benefit defined in Article 1.1 reads as Maximum Benefit shall mean employees benefits which are the higher of (a) the terms of the voluntary retirement scheme as provided by the Department of Public Enterprises (Government of India) guidelines and applicable to the Company on the Closing Date or (b) the terms of the voluntary retirement scheme as applicable to the Company on the Closing Date".

Disinvestment of ITDC hotels

323. SHR1 A V1JAYA RAGHAVAN: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have taken any step to disinvest the hotels under ITDC;

(b) if so, the details thereof;